

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name Greater Wayne Co. Economic Dev. Corp.	County Wayne
Audit Date 9/30/05	Opinion Date 3/2/06	Date Accountant Report Submitted to State: 3/31/06	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

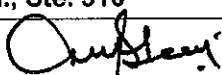
1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- | | |
|---|---|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95). |

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			✓
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) Alan C. Young & Associates, PC			
Street Address 2990 W. Grand Blvd., Ste. 310		City Detroit	State MI
Accountant Signature 		ZIP 48202	Date 3/31/06

**GREATER WAYNE COUNTY ECONOMIC
DEVELOPMENT CORPORATION
FINANCIAL STATEMENTS
SEPTEMBER 30, 2005
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT**

GREATER WAYNE COUNTY ECONOMIC DEVELOPMENT CORPORATION

TABLE OF CONTENTS

	Pages
Independent Auditors' Report	i
Management's Discussion & Analysis	ii
<u>BASIC FINANCIAL STATEMENTS:</u>	
Statement of Net Assets	1
Statement of Revenues, Expenses and Changes in Fund Net Assets	2
Statement of Cash Flows	3
Notes to Basic Financial Statements	4
<u>REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A:</u>	
Independent Auditors' Report on Compliance with Laws and Regulations and Internal Control – Basic Financial Statements	7

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Greater Wayne County Economic Development Corporation
Detroit, Michigan

We have audited the accompanying financial statements of the Greater Wayne County Economic Development Corporation (GWEDC), a Michigan Public Corporate as of and for the year ended September 30, 2005, as listed in the table of contents. These financial statements are the responsibility of GWEDC's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GWEDC as of September 30, 2005, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis (identified in the table of contents) is not a required part of the basic financial statements, but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 2, 2006 on our consideration of GWEDC's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Alan C. Young, Assoc.

March 2, 2006

**GREATER WAYNE COUNTY ECONOMIC DEVELOPMENT CORPORATION
MANAGEMENT DISCUSSION & ANALYSIS
SEPTEMBER 30, 2005**

As management of the GWEDC, we offer this narrative overview and analysis of the financial activities of GWEDC for the year ended September 30, 2005. Readers are encouraged to read it in conjunction with the accompanying basic financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of the financial statements, which focus on the GWEDC as a whole, and the notes to the financial statements, which provide additional information that is essential to gain a full understanding of the data presented in the financial statements.

The financial statements consist of the *Statement of Net Assets*, the *Statement of Revenues, Expenditures and Changes in Net Assets* and the *Statement of Cash Flows*. These statements are prepared using the full accrual basis of accounting, which is similar to that employed by businesses in the private sector.

The ***Statement of Net Assets*** presents information on all of the assets and liabilities of GWEDC, with the difference between the two reported as *net assets*. Net assets can be thought of as one way of measuring the financial strength of GWEDC. Increases or decreases in net assets over time may serve as a useful indicator of whether the financial condition of GWEDC is improving or deteriorating.

The ***Statement of Revenues, Expenditures and Changes in Net Assets*** presents information showing how the net assets of GWEDC have changed over the course of the most recent fiscal year. All changes in net assets are recognized as soon as the underlying transactions take place, regardless of the timing of the related cash flows. As a result, certain revenues and expenses reported in these statements are related to items that will only result in cash flows in future years.

The ***Statement of Cash Flows*** presents detailed information about the changes in the cash position of GWEDC during the year.

The ***Notes to the Financial Statements*** provide additional information that is essential to gain a full understanding of the data presented in both the government-wide and fund financial statements and begin on page 4 of this report.

FINANCIAL OVERVIEW

It is important to recognize the mission of GWEDC when analyzing its financial position. GWEDC is funded primarily by Wayne County and was created on November 22, 2004 for the purpose of administering economic development program and function in Michigan. Since this is the first financial audit of GWEDC, the discussion and analysis contains no comparisons to the prior year. Future reports will include extensive financial comparisons as required by the Governmental Accounting Standards Board.

GREATER WAYNE COUNTY ECONOMIC DEVELOPMENT CORPORATION
MANAGEMENT DISCUSSION & ANALYSIS
SEPTEMBER 30, 2005
(Continued)

FINANCIAL OVERVIEW (Continued)

The assets of GWEDC exceeded its liabilities by \$16,154 at September 30, 2005.

ASSETS

Current Assets	<u>\$123,606</u>
Total Assets	<u><u>\$123,606</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities	<u>\$107,452</u>
Total Liabilities	107,452
Net Assets - Unrestricted	<u>16,154</u>
Total Liabilities and Net Assets	<u><u>\$123,606</u></u>

As indicated in the following schedule, the net assets of GWEDC increased by \$16,154 for the year ended September 30, 2005. The increase is attributable primarily to sponsorship income.

CHANGES IN NET ASSETS

Contributions - Wayne County	235,578
Sponsorship Income	28,999
Interest Income	126
Operating Expenses	<u>(248,549)</u>
Net Income from Operations	16,154
Net Assets - Beginning of Year	<u>0</u>
Net Assets - End of Year	<u><u>\$16,154</u></u>

GREATER WAYNE COUNTY ECONOMIC DEVELOPMENT CORPORATION
MANAGEMENT DISCUSSION & ANALYSIS
SEPTEMBER 30, 2005
(Continued)

CAPITAL ASSET

GWEDC did not purchase any assets that exceeded its capitalization threshold during the year ended September 30, 2005.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

GWEDC has an operating budget of \$511,000 for the year ended September 30, 2006. GWEDC plans on continuing to build and grow economic development programs throughout fiscal year 2006.

CONTACTING THE MANAGEMENT OF GWEDC

This financial report is designed to provide the citizens, taxpayers, investors, creditors and others with a general overview of the finances of GWEDC. Questions concerning any information contained in this report or requests for additional information should be addressed to the attention of the Office Administrator at the following address: Greater Wayne County Economic Development Corporation, 600 Randolph, suite 323, Detroit, MI. 48226. Requests can also be made by phone at 313-224-0745.

GREATER WAYNE COUNTY ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF NET ASSETS
YEAR ENDED SEPTEMBER 30, 2005

ASSETS

Current Assets:

Cash & Cash Equivalents (Note 2)	\$22,481
Accounts Receivable	<u>101,125</u>

Total Assets	<u><u>\$123,606</u></u>
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LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts Payable	\$104,770
Accrued Payroll	<u>2,682</u>

Total Liabilities	<u>107,452</u>
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Net Assets - Unrestricted	<u>16,154</u>
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Total Liabilities and Net Assets	<u><u>\$123,606</u></u>
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The accompanying notes are an integral part of these financial statements.

GREATER WAYNE COUNTY ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND NET ASSETS
YEAR ENDED SEPTEMBER 30, 2005

REVENUE

Operating Revenues:

Contributions - Wayne County	\$235,578
Sponsorship Income	<u>28,999</u>

Total Operating Revenues	<u>264,577</u>
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EXPENSES

Operating Expenses:

Salaries and Wages	74,099
Fringe Benefits	20,970
Payroll Processing Fees	607
Contract Services	1,959
Professional Services	48,898
Advertising	1,700
Dues and Subscriptions	9,536
Equipment	28,649
Repairs and Maintenance	47,426
Office Supplies	2,753
Postage & Delivery	41
Telephone	556
Travel and Meeting Expenses	9,155
Bank Service Charges	157
Miscellaneous	<u>2,043</u>

Total Operating Expenses	<u>248,549</u>
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Operating Income	16,028
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Nonoperating Revenues (Expenses):

Interest Income	<u>126</u>
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Total Nonoperating Revenue (Expenses)	<u>126</u>
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Increase (Decrease) in Net Assets	16,154
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Net Assets - Beginning of Year	<u>0</u>
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Net Assets - End of Year	<u><u>\$16,154</u></u>
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The accompanying notes are an integral part of these financial statements.

GREATER WAYNE COUNTY ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2005

CASH FLOWS FROM OPERATIONS

Contributions - Wayne County	\$134,453
Sponsorship Income	28,999
Payments	(141,097)
Interest Income	126
Net Cash Provided by Operating Activities	<u>22,481</u>
Net Increase (Decrease) in Cash and Cash Equivalents	22,481
Cash and Cash Equivalents, Beginning of Year	<u>0</u>
Cash and Cash Equivalents, End of Year	<u><u>\$22,481</u></u>

**RECONCILIATION OF OPERATING INCOME TO NET CASH
PROVIDED BY OPERATING ACTIVITIES**

Operating Income	\$16,154
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities	
Change in Accounts Receivable	(101,125)
Change in Accounts & Payable	107,452
Total Adjustments	<u>22,481</u>
Net Cash Provided by Operating Activities	<u><u>\$22,481</u></u>

The accompanying notes are an integral part of these financial statements.

GREATER WAYNE COUNTY ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2005

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Greater Wayne County Economic Development Corporation (GWEDC) was created on November 22, 2004 as a Michigan Public Body Corporate. It was created through an inter-local agreement between the Economic Development Corporation (EDC) of the Charter County of Wayne, the EDC of the City of Taylor and the EDC of the City of Detroit for the purpose of administering economic development programs and functions in Michigan. The GWEDC has one program, One-Stop Center, which receives general fund money from the County.

Basis of Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB), including statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis – For State and Local Governments*, issued in June 1999. The Greater Wayne County Economic Development Corporation Authority follows the "business-type" activities reporting requirements of GASB Statement No. 34 that provide a comprehensive look at the GWEDC's financial activities.

Basis of Accounting

The Greater Wayne County Economic Development Corporation follows the rules promulgated by the Governmental Accounting Standards Board. Additionally, GWEDC follows all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) issued on or before November 30, 1989, unless pronouncements conflict with or contradict GASB. The periodic determination of revenues earned, expenses incurred, and net income is appropriate for management control and accountability; therefore, the proprietary fund model is followed, and the full accrual basis of accounting is used.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Cash and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Investments are valued at their fair value plus accrued interest in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

GREATER WAYNE COUNTY ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2005
(Continued)

2) CASH AND CASH EQUIVALENTS

The Organization's cash and cash equivalents as of September 30, 2005 are maintained in two bank accounts at a single institution.

This balance is insured by the Federal Deposit Insurance Corporation up to \$100,000. At September 30, 2005, the entire balance was insured.

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN MANAGEMENT
DISCUSSION & ANALYSIS (MD&A)**

**Alan C.
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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH LAWS AND REGULATIONS AND
INTERNAL CONTROL – BASIC FINANCIAL STATEMENTS**

To the Board of Directors of
Greater Wayne County
Economic Development Corporation
Detroit, Michigan

We have audited the financial statements of the Greater Wayne County Economic Development Corporation (GWEDC) as of and for the year ended September 30, 2005 and have issued our report thereon dated March 2, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether GWEDC's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered GWEDC's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we considered to be material weaknesses.

Alan C. Young & Assoc.

March 2, 2006